



Representative

Kirk Pearson • 39th District

Addressing the Energy Crisis

From the Desk of Representative Kirk Pearson



Dear friends & neighbors,

As your legislator, I want to represent the best interests of Snohomish and northeast King counties in Olympia, as well as be a resource for you about the important issues facing our local communities.

Right now, we are experiencing an electricity shortage that is reaching a crisis. I feel we must keep level heads as we address this important issue.

Although we'd like to believe differently, the energy crisis didn't just hit us overnight. It's been years in the making. For too long, Washingtonians have paid little attention to our energy supplies. Why should we? We live in the great Pacific Northwest where hydropower is cheap and plentiful. Or so we thought.

The incredible economic growth and prosperity we experienced in the 1990s came at a cost. The high-tech industries that fueled the economic surge rank among the most electricity-dependent and consume vast amounts of power. Add to that the 21-percent jump in our state's population during the past decade and it's easy to see why electricity demand is so high. Unfortunately, during this same period, Washington failed to make a major commitment to new energy production.

People in Snohomish County are now paying 35 percent more for electricity than they did before the first of the year. I'm deeply concerned for middle- and low-income families and seniors on fixed incomes who are finding these increases especially hard to afford. My concern also extends to those whose jobs are threatened because of the energy crisis.

Washington desperately needs an energy policy that facilitates new production, because without a serious commitment to developing new power sources this problem will continue well into the future.

That is why I am supporting a balanced and comprehensive solution to address the energy shortage, which includes encouraging the building of new power plants, encouraging energy conservation and helping low-income families being hurt by the increasing electricity costs.

I hope you will use the information in this newsletter to better understand the current energy situation, as well as to help you conserve electricity and save on your next utility bill. Thank you for the honor of allowing me to serve as your state representative. Please feel free to contact me at any time.

Sincerely,

Rep. Kirk Pearson

ENERGY ASSISTANCE AVAILABLE

For those low-income families and seniors who are struggling to pay their electricity bills, help is available. Snohomish County PUD offers year-round discounts to low-income customers who qualify. Qualification is based on annual household income that is 125% of the federal poverty level. Seniors age 62 and older with a combined disposable annual income of less than \$18,000 may also be eligible. For more information, call the PUD at 425-783-8300.

Representative **KIRK PEARSON • 39th District**

How did we get in this mess?

There are many reasons which together have created an energy shortage in the Western states.

Population growth and our growing use of energy-dependent technology, such as computers, televisions, etc., have increased demand for electricity. Yet, Washington hasn't made a major commitment toward new generating capacity since the 1970s. Generation hasn't kept up with growing demands for power.

Just over 60 percent of all Northwest electricity comes from hydro projects. But our hydro system's generating capacity has diminished as utilities are forced to spill water over the dams to preserve endangered salmon populations. Many reservoirs are lower than they have been in years, significantly reducing power generating capabilities.

Electricity is a supply-and-demand product. When demand exceeds the Bonneville Power Administration's (BPA) ability to provide electricity from its generating facilities, it has to buy power from the wholesale market.

The tight West Coast energy supply has driven wholesale power prices higher than anyone thought possible. Historically, Northwest wholesale electricity prices have rarely been higher than \$30 a megawatt hour.

How much power is a megawatt?

A megawatt is enough to power a facility like a high school, a hospital, or about 25 convenience stores.

What is a megawatt hour?

A megawatt hour is the amount these places would need to power everything they have for one hour.

Last December, when California's utilities turned to the wholesale market for electricity, their substantial demand caused wholesale rates to shoot to \$3,000 per megawatt hour. Faced with cold temperatures and high electricity demand, BPA spent \$50 million on power purchases in just four days this winter. Current wholesale prices are now in the range of \$200 to \$300 a megawatt hour.

How do wholesale energy prices affect me?

If you receive your power bill from the Snohomish County PUD, you already know the answer: higher rates. About 40 percent of the electricity used by Snohomish County PUD customers comes from the BPA. The Jackson Hydroelectric Project provides a small amount of power used in Snohomish County. Another 40 percent of power is purchased by the Snohomish County PUD directly from the wholesale market. The remaining power comes from long-term contracts with other utilities. BPA has been unable to absorb the skyrocketing wholesale rates, so it is passing those costs on to its customers — Snohomish County PUD included. The PUD also is unable to absorb the increased BPA and wholesale market costs, so it raises its rates — and you and I pay.

What's next?

It is clear that the region is confronted with difficult, even agonizing, choices. For the rest of this year, we must deal with tradeoffs involving power system reliability, fish enhancement measures and reservoir elevations. BPA is trying to get their wholesale customers to reduce the amount of power they buy from the federal agency by about 2,400 megawatts. Reduced demand would decrease the amount of power BPA must buy from the wholesale market.

In October, new BPA contracts go into effect. Snohomish County PUD customers may see additional rate hikes then, depending upon the market situation this summer and how it looks going into the winter.

The market is already beginning to correct the long-term problem. Power generators across the nation are beginning the process of building new power plants, ranging from wind farms to gas-fired generators. This year's outlook, however, will depend on three factors: reservoir levels, West Coast power supplies (including California demand), and an unpredictable power market.

Helpful Energy Websites

Snohomish County PUD: www.snopud.com

Energy Star: www.energystar.gov

U.S. Department of Energy: www.eren.doe.gov/consumerinfo

Home Energy: www.homeenergy.org

Energy Quest: www.energy.ca.gov/education

Building & Home Improvement Directory: www.build.com

Washington Energy Policy Group: www.energy.cted.wa.gov

ADDRESSING THE ENERGY CRISIS

What are you and the Legislature doing to address our energy crisis?

This year, I voted for a comprehensive energy reform package (House Bill 2247) which contains both short- and long-term solutions by combining sensible conservation measures with a focus on new power generation. This energy package, which passed the Legislature, is an essential step towards a long-term, comprehensive energy policy for Washington, putting our state's citizens, economy and environment first. We need to make responsible investments in proven technologies, and that means investing in those technologies we know will work and will produce cost-effective power.

The permit streamlining will help attract new power plants to our state. This legislation gives Washington greater control of its own destiny.

Key components of the comprehensive House energy package include:

- **Permit streamlining for new power generation**
Allows larger power plants to be built without a slow and complicated permitting process.
- **Additional low-income energy assistance**
Helps low-income families and seniors with the huge power bills.
- **Energy efficient buildings**
Encourages energy efficient state and public school buildings.
- **Option for alternative energy resources**
Requires utilities to provide a voluntary option to customers to buy power from alternative energy sources.
- **Tax credit on pollution controls for older power plants**
Because of regulations, older power plants can only operate a portion of the day. Pollution controls will allow them to operate for longer periods each day.

The low-income energy assistance is important part of this package. With the skyrocketing utility bills starting this winter, our seniors and families on the margin need relief. This bill adds \$2 million in relief for those in need.



Rep. Kirk Pearson, a member of the House Natural Resources Committee, confers with Co-Speaker Pro Tempore John Pennington.

Energy Conservation Programs

The Snohomish County PUD offers several energy conservation programs, including rebates on energy efficient clothes washers and dishwashers, a home energy loan program to help customers with electrically-heated homes pay for energy efficient improvements, a low-income housing improvement program, and an energy efficient lighting program. Contact the PUD's Energy Hotline at (425) 783-1700 for more information, or visit their website at: www.snopud.com.

Have suggestions? I'd like to hear from you!

Feel free to call, write or e-mail me about this or any other issue on your mind regarding state government.

Rep. Kirk Pearson

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Committees: Appropriations, Education,
Natural Resources

What can I do to ease my power bill?

Here are a few suggestions that may be helpful:

Heating accounts for the biggest chunk of winter energy bills. Have your furnace professionally tuned each year. Clean or replace air filters once a month to help your unit run more efficiently.

Replace products with energy efficient ones. As products around your home break down or no longer meet your needs, replace them with items bearing the Energy Star label.

Your home is probably leaking energy dollars. Make sure attic and/or ceilings are well insulated. Seal joints in attic air ducts and make sure they are well insulated too.

Plug other energy "leaks." Seal leaks between moving parts (between door and its frame) with weather-stripping. Fill leaks between nonmoving parts (between window frame and wall with caulking) and install energy efficient windows, glass doors, and skylights.

Coordinate your home temperature with your schedule. A programmable thermostat will automatically coordinate your home temperature with your daily and weekend patterns to increase comfort and monetary savings.

Plug surprising "leaks" from standby power. Idle TV's, VCR's, CD players, computers, cordless phones, microwaves and other appliances continue to consume energy even when switched off. Unplug the device if it won't be used for an extended time.

Install timers and motion detectors. Instead of leaving lights on, put timers on a few of the lights in your home, or install motion detectors on exterior floodlights to improve your home security. After you get inside, the sensor will "remember" to turn the lights off.

Activate "sleep" features on computers and office equipment. Turn off equipment when you are not using it to cut power costs.

Let the sun help heat your home. Keep blinds of sun-exposed windows open in the daytime and closed at night.

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